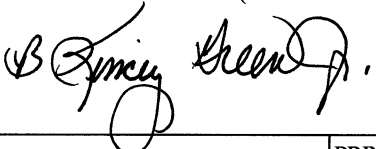


ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)		
PLAINTIFFS Ameilia Tait Driscoll, as Trustee of L. E. Tait Trust, and Pauline Tait, Suellen Tait, and Deborah Tait, Trust Beneficiaries,	DEFENDANTS Ultimate Reserve Trust, and James E. Tait, Debtor			
ATTORNEYS (Firm Name, Address, and Telephone No.) Reeves & Stewart PC PO Box 447 Selma, Alabama 3670200447	ATTORNEYS (If Known) Timothy M. Lupinacci Baker Donelson Bearman, Cadwalwell and Berkowitz PC and Andrew M. Cromer, Jr.			
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other <input type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other <input type="checkbox"/> Trustee			
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Rule 7001(2) proceeding to determine validity of a mortgage held by Ultimate Reserve Trust				
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)				
<table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%; border: none;"> FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input checked="" type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: center;">(continued next column)</div> </td> <td style="vertical-align: top; width: 50%; border: none;"> FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – reinstatement of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et. seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case) </td> </tr> </table>			FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input checked="" type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <div style="text-align: center;">(continued next column)</div>	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – reinstatement of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et. seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
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<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23			
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$			
Other Relief Sought				

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR James E. Tait		BANKRUPTCY CASE NO. 07-12174
DISTRICT IN WHICH CASE IS PENDING Southern District of Alabama	DIVISIONAL OFFICE Northern	NAME OF JUDGE Mahoney
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISIONAL OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) 		
DATE February 19, 2008	PRINT NAME OF ATTORNEY (OR PLAINTIFF) B. Kincey Green Jr	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, if it is required by the court. In some courts, the cover sheet is not required when the adversary proceeding is filed electronically through the court's Case Management/Electronic Case Files (CM/ECF) system. (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and the defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and in the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA**

In Re:

JAMES E. TAIT,

Debtor,

AMELIA TAIT DRISCOLL, as Trustee of
the L. E. TAIT TRUST, dated October 6,
1978, and PAULINE TAIT, SUELLEN
TAIT, and DEBORAH TAIT, beneficiaries
of said Trust,

Plaintiffs,

vs.

ULTIMATE RESERVE TRUST AND
JAMES E. TAIT, DEBTOR

Defendants.

CASE NO. 07-12174-MAM
CHAPTER 11

ADVERSARY PROC. NO. _____

**ADVERSARY COMPLAINT UNDER 7001(2)
AND CONTINUATION OF STAY**

(1) Amelia Tait Driscoll ("Driscoll") is the Trustee of the L. E. Tait Trust (hereinafter referred to as the "Tait Trust"), dated October 6, 1978, having been appointed as successor Trustee to James E. Tait, pursuant to the terms of the trust document.

(2) ULTIMATE RESERVE TRUST is believed to be a trust created under the laws of the State of Alabama, primarily doing business in Mobile, Alabama, as a subsidiary or wholly owned enterprise of American Resources Insurance Company, Inc., licensed and doing business in Alabama.

(3) James E. Tait is a resident of Alabama and the debtor in bankruptcy of the primary underlying case.

(4) This is a proceeding under Bankruptcy Rule 7001(2) to determine the validity of an attempted mortgage. The Court has jurisdiction over the parties and the subject matter of this complaint pursuant to 28 USC §151, §157 and §1334; and, this is a core proceeding pursuant to 28 USC §157.

(5) The Tait Trust owns certain real property located in Wilcox County, Alabama for the sole benefit of the beneficiaries of the Tait Trust. The real property (hereinafter referred to as “subject property”) is described as:

NW 1/4 of Section 27, NW 1/4 of the SW 1/4 of Section 27, all in Township 11 North, Range 7 East, except all south of Greenville and Black’s Bluff Road in E ½ of NW 1/4 of Section 27, all in Township 11 North, Range 7 East, containing 165 acres, more or less.

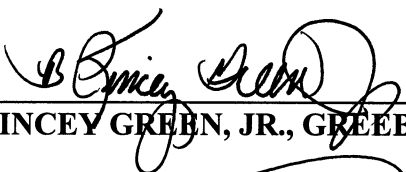
(6) On or about November 17, 2006, James E. Tait, while allegedly indebted to defendant, ULTIMATE RESERVE TRUST, participated in an attempted transfer of real property to secure the personal indebtedness of James E. Tait, who formerly served as trustee of the Tait Trust, which document was recorded on November 21, 2006, in Book 208, at Page 41, in the Probate Office of Wilcox County, Alabama, a copy of which is attached hereto as Exhibit “A”. The attempted mortgage describes the subject property owned solely by the Tait Trust.

(7) The attempted mortgage recorded in the Probate Office of Wilcox County was clearly intended by the participating parties to grant ULTIMATE RESERVE TRUST a mortgage interest on the subject property. The attempted mortgage was, however, void at its inception because (1) the named mortgagor has never owned and does not presently own, a legal, equitable or transferable interest in the subject property; (2) the mortgagee attempted to obtain an interest in collateral to secure an antecedent debt that was entirely personal to the named mortgagor; (3) the mortgagee attempted to obtain an interest in collateral to secure an antecedent debt of mortgagor that never had any relationship to the Tait Trust or to the Tait Trust beneficiaries; (4) the language of the Tait Trust did not permit a trustee of the Tait Trust to use trust property to satisfy personal debts of a trustee; (5) the attempted mortgage clearly states in the body of the document that the mortgage was negotiated to secure the personal indebtedness of


James E. Tait, the trustee of the Tait Trust, a prohibited transaction according to the terms of the Trust and according to all existing fiduciary case law; and,

(8) The attempted conveyance of a mortgage on trust property completely failed because of a complete lack of and absence of any consideration flowing to the Tait Trust.

Wherefore, your Plaintiffs ask the Court to determine the attempted mortgage is void and of no effect; and, pending its ruling, to continue the automatic stay presently imposed upon the subject property.



B. KINCEY GREEN, JR., GREEB2004



ALLEN S. REEVES, REEVA6816

Attorney for Plaintiffs,
REEVES & STEWART, P.C.
P. O. Box 447
Selma, Alabama 36702-0447
Telephone: (334) 875-7236

THIS INSTRUMENT WAS PREPARED BY:

Donald M. McLeod
Attorney at Law
Post Office Box 788
Camden, Alabama 36726

Wilcox Co., AL I CERTIFY THIS INSTRUMENT WAS FILED 11/21/2006 11:38:56 AM
MORTGAGE, B200 Page 41 Entry#: 11265
DEED TAX:\$8.00 MORTG TAX:\$1,478.00 AIN TAX:\$9.00
REC-FEE:\$9.00

Jerry Duggan Judge of Probate

MORTGAGE

STATE OF ALABAMA)

WILCOX COUNTY)

KNOW ALL MEN BY THESE PRESENTS: That Whereas,

JAMES E. TAIT, individually, a married person,

(whether one or more, hereinafter called "Mortgagors"), is justly indebted to

ULTIMATE RESERVE TRUST

(hereinafter called "Mortgagee"), in the sum of Nine Hundred Eighty Thousand and 00/100 Dollars (\$980,000.00), evidenced by Promissory Note of even date herewith and payable according to the terms thereof,

And Whereas, Mortgagors may hereafter become indebted to Mortgagee in a further sum or sums, and this conveyance is made for the security and enforcement of the payment of both said present and any such future indebtedness;

And Whereas, Mortgagors agreed, in incurring said indebtedness, that this mortgage should be given to secure the prompt payment thereof with interest and any further sum or sums for which Mortgagors may hereafter become indebted to Mortgagee;

NOW THEREFORE, in consideration of the premises, said Mortgagors,

JAMES E. TAIT, Trustee; JAMES E. TAIT and GAIL P. TAIT,

and all others executing this mortgage, do hereby grant, bargain, sell and convey unto the Mortgagee the following described real estate, situated in Wilcox County, State of Alabama, to wit:

NW ¼ of Section 27; NW ¼ of SW ¼ of Section 27 all in Township 11 North, Range 7 East, except all south of Greenville and Black's Bluff Road in East half of NW ¼ of Section 27, all in Township 11 North, Range 7 East. Containing 165 acres, more or less.

This is a second mortgage which is subject to the prior first Mortgages to Town Country National Bank.

Said property is warranted free from all incumbrances and against any adverse claims, except as stated above.

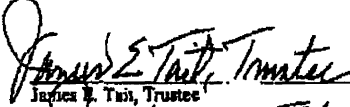
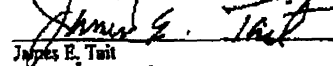
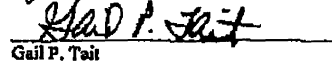
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2902938-000001 11/14/2006

EXHIBIT "A"

TO HAVE AND TO HOLD the above granted property unto Mortgagee, Mortgagee's successors and assigns forever; and for the purpose of further securing the payment of said indebtedness, the undersigned agrees to pay all taxes or assessments when imposed legally upon said premises, and should default be made in the payment of same, Mortgagee may at Mortgagee's option pay off the same; and to further secure said indebtedness, Mortgages agree to keep the improvements on said real estate insured against loss or damage by fire, lightning and tornado for the fair and reasonable insurable value thereof, in companies satisfactory to Mortgagee, with loss, if any, payable to Mortgagee, as Mortgagee's interest may appear, and promptly to deliver said policies, or any renewal of said policies, to Mortgagee; and if undersigned fails to keep said property insured as above specified, or fails to deliver said insurance policies to Mortgagee, then Mortgagee, or assigns, may at Mortgagee's option insure property for said sum, for Mortgagee's own benefit, the policy, if collected, to be credited on said indebtedness, less costs of collecting same; and all amounts so expended by Mortgagee for taxes, assessments or insurance shall become a debt to Mortgagee or assigns, additional to the debt hereby specially secured, and shall be secured by this mortgage, and shall bear interest at the maximum rate allowed by law from date of payment by Mortgagee, or assigns, and be at once due and payable.

Upon condition, however, that if Mortgages pay all indebtedness secured hereby, including future advances and reimburse Mortgagee or assigns for any amounts Mortgagee may have expended for taxes, assessments, and insurance, and interest thereon, then this conveyance to be null and void; but should default be made in the payment of any sum expended by the Mortgagee or assigns, or should any indebtedness hereby secured, or any part thereof, or the interest thereon, remain unpaid when due or at maturity, or should the interest of Mortgagee or assigns in said property become endangered by reason of the enforcement of any prior lien or incumbrance thereon, so as to endanger the debt hereby secured, then in anyone of said events, the whole of the indebtedness hereby secured shall at once become due and payable, and this mortgage shall be subject to foreclosure as provided by law in case of past due mortgages, and Mortgagee, its agents or assigns, shall be authorized to take possession of the premises hereby conveyed, and with or without first taking possession, after giving twenty-one day's notice, by publishing once a week for three consecutive weeks the time, place and terms of sale in some newspaper published in said County and State, sell the same in lots or parcels or en masse as Mortgagee, its agents or assigns deem best, in front of the Court House door of the County (or the division thereof) where said property is located, at public outcry, to the highest bidder for cash, and apply the proceeds of the sale: First, to the expenses of advertising, selling and conveying, including a reasonable attorney's fee not to exceed 15% of the unpaid debt upon default; Second, to the payment of any amounts that may have been expended, or that it may then be necessary to expend, in paying insurance, taxes, or other incumbrances, with interest thereon; Third, to the payment of the indebtedness hereby secured in full, whether the same shall or shall not have fully matured at the date of said sale, but no interest shall be collected beyond the day of sale; and Fourth, the balance, if any, to be turned over to Mortgages; and the undersigned further agree that Mortgagee, its agents or assigns may bid at said sale and purchase said property, if the highest bidder therefor; and the undersigned further agree to pay to Mortgagee or assigns, a reasonable attorney's fee not exceeding 15% of the unpaid debt upon default for the foreclosure of this mortgage in Chancery, should the same be so foreclosed, said fee to be a part of the debt hereby secured.

IN WITNESS WHEREOF the undersigned JAMES E. TAIT, Trustee; JAMES E. TAIT and GAIL P. TAIT, have hereunto set their signatures and seals this 17th day of November, 2006.

 (SEAL)
James E. Tait, Trustee
 (SEAL)
James E. Tait
 (SEAL)
Gail P. Tait

STATE OF ALABAMA }
WILCOX COUNTY }

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that James E. Tait, Trustee, whose name is signed to the foregoing conveyance, and who is known to me, acknowledge before me on this day that, being informed of the contents of the conveyance, he as such Trustee and with full authority executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 17th day of November, 2006.


Notary Public
My Commission Expires: 01/09/07

STATE OF ALABAMA }
WILCOX COUNTY }

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that James E. Tait and Gail P. Tait, whose names are signed to the foregoing conveyance, and who are known to me, acknowledge before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.
Given under my hand and official seal this 17th day of November, 2006.


Notary Public
My Commission Expires: 01/09/07

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2902931-000001 11/14/2006